MAKING ITS MARK – UKRAINIAN TRADEMARK LAW
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Official statistics of 2010 show that of the countries that filed the most trademarks under Ukraine's national procedure, the United Kingdom came fifth, after the USA, Switzerland, Russia and Cyprus. The 2011 publication is not yet available. The UK was third on the list for filings under the Madrid Protocol, to which Ukraine is signatory.

Given the filing activity originating from these shores, this article will explore Ukraine's trademark regime for the benefit of UK practitioners and others who might wish to learn more about our Eastern European brethren.

Legislative activity

Ukraine, with its population of some 45 million, stands at the crossroads of Asia and Europe and is Europe's second largest country in size after European Russia. Like other post-Soviet countries, with a recent independent history of little over 20 years, its economy has struggled with the challenges of moving from a state controlled to a market economy. The world-wide reported 'Orange Revolution' in 2004, a protest movement against rigged election results, demonstrated the difficulties of the process of transition. Today the country is a member of the World Trade Organisation and aspires to EU membership.

Part of the requirement of WTO membership, which became a reality on 16 May 2008, was to bring the country's IP legislation into line with TRIPS (Agreement on Trade-related aspects of Intellectual Property Rights 1994). Ukrainian trademark law now complies with basic international standards: various international treaties to which Ukraine is signatory find expression particularly in The Law of Ukraine on the Protection of Rights to Trade and Service Marks (henceforth referred to as ‘Ukrainian Trade Mark Law’ - ‘UTML’) and parts of the Civil Code. Ukraine, along with the UK, is also a signatory to The Singapore Treaty on the Law of Trademarks of 2006, ratified on 15 April 2009, which is also now part of Ukrainian national law.

Having its eyes on eventual EU membership, trademark legislation has been steadily evolving in the direction of European law, especially the Harmonisation Directive 89/104/EEC. Ukraine's laws already conform to what is expected of it as a Community ‘partner’, and a draft law is in circulation that will align them even closer. However, it should be noted that no developments have occurred around this draft since the current priorities in amending the special IP laws lie in bringing them in line with the provisions of the Ukraine Civil Code effective as of 1 January, 2004. The reason for this shift in priorities is that there is a number of collisions between the general provisions of the Civil Code and the relevant provisions of the special laws, which makes it difficult to effectively enforce these laws.

With regard to enforcement of IPR, it is common knowledge that Ukraine has severe counterfeiting problems, although there have been improvements in recent years. Ukraine remains on the ‘name and shame’ or ‘Special 301 list’ of the Office of the United States Trade Representative which monitors the adequacy and effectiveness of IPR protection. It is currently in the Priority Watch List possibly because of the notorious events surrounding the file sharing site ex.ua.

Ukrainian Trade Mark Law

The following sections of this article will take the form of exposition with some commentary on various parts of Ukrainian trade mark law. The State Intellectual Property Service of Ukraine provides an unofficial English translation of the UTML on its website - www.sips.gov.ua. For the purposes of this article, the ‘authentic’ Ukrainian version was consulted and translated version occasionally adjusted.
Absolute and relative grounds for refusal

The first condition announced for granting legal protection of a mark under Art. 5 of UTML is that it should not ‘contradict public order’ or ‘the principles of humanity and morals’ (UK law, s.3 (3)(a), has ‘contrary to public policy or to accepted principles of morality’). And then, following Article 6ter of the Paris Convention, prohibitions are spelt out against unauthorised use of state armorial bearings, flags, state symbols etc. Absolute grounds for refusal follow, much of which is familiar reading and corresponds in substance to Section 3 of the UK TMA 1994.

Under relative grounds for refusal, other than for well-known marks, the subject of a separate section, no provisions are made for possible conflict with ‘normal’ marks with a reputation where goods might be dissimilar, as with UK TMA 5(3). Another difference lies in the relative ground based on earlier acquired trade names ‘that are known in Ukraine’, reflecting Article 8 of the Paris Convention. The nearest parallel would be s.5(4) (a) on the law of passing off that protects trading signs.

Another difference lies in the ground of a separate IP right: ‘qualified indications of the origin of goods (including alcohols and alcoholic drinks) that are protected according to the Law of Ukraine...’ UK TMA s. 5 (4)(b) mentions the law of copyright as a relative ground. In the UK it is practically axiomatic that ‘there is no copyright in a title’. The UTML, on the other hand, forbids registration of marks that consist in: ‘titles of scientific, literary, and artistic works known in Ukraine or quotations and characters from the said works ... without the consent of copyright holders or their successors in title’ (Art 6.4).

Cancellation

A trade mark can be cancelled through a revocation action, called ‘termination of certificate validity’, or invalidation action (Articles 18-19).

Following the minimum period set by TRIPS, Art 15 (3), a mark can be revoked for non-use after three years following registration. If the owner has licensed the mark, but has failed to exercise proper quality control over the goods of the licensee, then use by the latter might be discounted (cf. Art 16.8).

Given that the Ukrainian language uses Cyrillic characters, a question arises of whether there would be true or genuine use of a mark (including alcohols and alcoholic drinks) that are protected according to the Law of Ukraine if a Latin transliteration of a Cyrillic character mark were used. In other words, would use of a different script be but a ‘minor element’ that ‘does not change the features of the mark as a whole’ (Art 16.4)?

In practice, during the examination process a prior registration in Latin characters would be cited against an application for an identical mark in Cyrillic and vice-versa. It has been known, however, for such citations to be overcome by argumentation. This implies that it is not safe to assume use in transliterated form would be proper use (although in the Russian Federation a recent court case has stated otherwise). Practitioners in Ukraine therefore often advise clients to file applications in both scripts. A cursory examination of the Official Journal of Intellectual Property, ‘Promyslova Vlasnist’, reveals how common this practice is. Indeed, despite series marks not being provided for, applicants often file different transliterated versions of the same word as a single combined mark application.

Tackling bad faith applications

One problem with the current legislation with regard to revocation actions, especially in light of the problem of bad faith applications, is that, unlike current UK law, the onus probandi of non-use is on the applicant, not the owner.

The bad faith applications of usurpers of famous marks by local ‘entrepreneurial’ first filers is the reason, together with the problem of counterfeits, why implementation of international norms on ‘well-known’ trade marks has been an economic priority. Article 25 of the UTML (in conjunction with Article 6) establishes the rights of foreign (and domestic) ‘well-known’ trade mark owners, even if unregistered, according to Article 6bis of the Convention, Article 16(2) of TRIPS, and the WIPO ‘Joint Recommendation Concerning Provisions on the Protection of Well Known Marks’. The first mark to be
given well-known status in Ukraine was that of a Kievan radio station, EUROPA PLUS, in 2004. The first foreign marks to be accorded this protection were owned by McDonald’s Corporation. UK legislation does not, unlike the case in Ukraine for Ukrainian famous marks, provide ‘well known’ trade mark status on marks of UK origin.

Oppositions

An aspect of Ukrainian trade mark practice that is set to change if the new draft law is approved is the opposition procedure. Access to details of an application before registration is difficult as these are not published, and although there is some concession available in law for opposition, in practice the first a trade mark owner hears of an application is after registration. TRIPS Art 15 (5) does not mandate an opposition period, but seeking cancellation through the courts as the alternative seems an unnecessary and costly procedure.

Application and registration process

If filed under the national procedure, an application of a foreigner requires a Ukrainian-based representative and is to be filed in the Ukrainian language. Following the Ukraine accession to the WTO, as of 16 May, 2008, official fees are paid in UAH. Prior to these foreigners were required to be on a separate (higher) tariff to native applicants and to pay in foreign currency (initially US dollars, then Euros) rather than in the local currency. Fees were also regulated by the annual GDP of the country of the foreign applicant. This complicated system is now no longer in place. There are additional fees for filing in colour, and also for the ability to include the state title ‘UKRAINE’ as part of the mark. Fees are also payable upon publication of the registration.

Once filed, the whole procedure to registration frequently takes 12-18 months. If a mark lapses due to non-payment of renewal fee, only the former owner has the right during a period of three years to re-register (Article 22).

Limitations to rights of owner

The rights of the certificate owner are effective from the date of filing (Art 16.1).

Limitations to the right to prohibit the unauthorized use of a registered mark include ‘non-commercial use of the mark.’ Comparative advertising does not fall under the exceptions. It is considered commercial use and is disallowed in Ukraine, unless with the consent of the proprietor.

Rights are also limited by Statute 500 of the Civil Code in regard to owners of earlier-right unregistered trademarks. They are allowed to continue use without restriction, or even to commence use if serious preparations have been made to use such a mark prior to the later application. Ukrainian trade mark practitioners have expressed their concerns about this official sanction of allowing identical signs in the market to indicate different origins of goods. But this problem of co-existence of identical marks for identical or similar goods is by no means restricted to Ukraine.

Concluding remark

Although there are plenty of points of contact between UK and Ukrainian trade mark law, there are some major differences. From a UK practitioner’s perspective, some of these differences illustrate true weaknesses in effective protection of trade mark owners’ rights in Ukraine. However, legislation is still evolving and the new draft law promises to further improve the situation. To think that Ukraine had practically no trade mark law to speak of just a few years ago, this writer is truly impressed with what has been achieved.

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